Dadansoddi ar gyfer Polisi

YMCHWIL GYMDEITHASOL Y LLYWODRAETH

GSR

GOVERNMENT SOCIAL RESEARCH

Analysis for Policy

Llywodraeth Cymru
Welsh Government

Social research number: 70/2026

Publication date: 02/07/2026

Employer Skills Survey 2024

South East Wales Report

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.

This document is also available in Welsh.

OGL © Crown Copyright Digital ISBN 978-1-83745-708-3

Employer Skills Survey 2024: South East Wales Report

Author(s): IFF Research

Full Research Report: IFF Research (2025). Employer Skills Survey 2024: South East Wales Report. Cardiff: Welsh Government, GSR report number 70/2026

Available at: https://www.gov.wales/employer-skills-survey-2024-wales-regional-reports

Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

For further information please contact:

Daniel Burley

Employability and Skills

Welsh Government

Cathays Park

Cardiff

CF10 3NQ

Email: KASEmployabilityandSkillsResearch@gov.wales

Table of contents

List of tables 4

List of figures 5

Glossary 6

1. Introduction 8

2. Recruitment and external challenges 10

3. The internal skills challenge 13

4. Training and workforce development 16

5. Apprenticeships 19

6. High performance working practices 20

7. Artificial Intelligence 22

8. Net Zero 23

9. Conclusions 24

List of tables

Table 4-1 Proportion of employers that trained staff and the proportion of staff trained over the previous 12 months in Wales and the Welsh regions, 2015 to 2024 17

List of figures

Figure 2-1 Incidence, density and volume of skill-shortage vacancies in South East Wales, 2013 to 2024 11

Figure 3-1 Incidence, density and volume of skills gaps in South East Wales, 2013 to 2024 13

Figure 6-1 Prevalence of HPW Practices in South East Wales, 2022 to 2024 21

Glossary

Site (also referred to as workplace, business, employer or site)

A single location of an organisation – for this survey all have at least two people working at that location.

Sector

Sector definitions are based on Standard Industrial Classification (SIC) 2007 codes.

Occupations

Occupational definitions are based on Standard Occupational Classification (SOC) 2020 codes.

Vacancy density

Vacancies which are proving difficult to fill, as defined by the site (from the question: “Are any of these vacancies proving hard to fill?”).

Skill-shortage vacancy (SSV)

A specific type of hard-to-fill vacancy that occurs when an employer cannot find applicants with the required skills, qualification, or experience to do a job.

SSV density

The number of SSVs as a proportion of all vacancies.

Skills gaps

Skills gaps exists when an employer thinks a worker does not have enough skills to perform their job with full proficiency. Skill gaps apply to existing employees.

Skills gaps density

The number of employees that lack full proficiency as a proportion of all employment.

Under-use of skills (skills under-utilisation)

An employee’s skills are under-used / underutilised if the employer reports a person has both skills and qualifications that are more advanced than required to perform the job role they are currently in.

Off-the-job training

Training beyond that which takes place on-the-job or as part of an employee's normal work duties. It can be undertaken at the employer's premises or off the premises as long as it is funded and arranged by the employer.

On-the-job training

Training that the employer funds or arranges that takes place where the employee normally works (for example, at their desk). This would be activities recognised as training by staff rather than the sort of learning by experience which could take place all the time.

1. Introduction

1.1 Background

This document provides a summary of key findings among employers in South East Wales from the Welsh Government and Department for Education's Employer Skills Survey (ESS 2024), a large survey of employers which provides a definitive picture of the extent, nature and impact of skills challenges faced by employers.[1]

From 2010 to 2017, ESS sat alongside the Employer Perspectives Survey (EPS) to produce insights that complemented each other. The focus of the EPS was primarily outward-looking, covering provision of and engagement with the wider skills system, while ESS was more inward-looking, assessing the current skills position and skills needs of employers. Since the 2019 survey, the EPS content has been incorporated into ESS making this the third ESS in the series to include questions formerly asked in EPS.

1.2 Methodology

The ESS 2024 questionnaire was largely consistent with 2022, in order to maintain comparability with the wider time series. However, some changes were made to cover new topic areas of policy interest - Artificial Intelligence usage and Net Zero plans. The survey population comprised individual sites with at least two employees on the payroll, meaning sole traders were excluded. The population covered employers from all sectors of the economy (private, public and third sector).

The sampling unit was at a site level, rather than at an organisation / company level. This is in recognition of the influence that local labour markets have on skill issues and the fact that skills issues are felt most acutely at the site level. Market Location, a commercial provider of employer contact details, was used as the principal sample source for ESS 2024, supplemented with 'top up' sample ordered directly from the ONS Inter-Departmental Business Register (IDBR).

Telephone interviews were conducted between June 2024 and January 2025. A total of 2,310 interviews were achieved with employers in South East Wales from a total of 5,605 in Wales overall. Data was collected via Computer-Assisted Telephone

[1] The principal areas of Wales included in the 'South East Wales' definition are: Bridgend, Rhondda Cynon Taff, Merthyr Tydfil, Caerphilly, Blaenau Gwent, Torfaen, Vale of Glamorgan, Monmouthshire, Newport, and Cardiff.

Interviewing (CATI). Employers were offered the option to be interviewed in Welsh or English.

For further information on the survey methodology, please refer to the accompanying Technical Report or the full Wales Report.

1.3 Reporting conventions

The terms ‘site’ and ‘employer’ are used interchangeably throughout this report to avoid excessive repetition.

The survey population is UK employers with employment of two or more; this means employers with at least two people working on payroll including working proprietors. When reporting volume and density measures, we typically refer to ‘employees’ throughout the report rather than employment.

All comparisons referred to in the report commentary are statistically significant at the 95% level of confidence. This applies to comparisons between survey subgroups, such as region, size and sector, and also to differences over time. In some places, the highest or lowest subgroups are reported to give an indication of range, however this does not suggest statistical significance.

Throughout the report unweighted base figures are shown on tables and charts to give an indication of the statistical reliability of the figures. These figures are always based on the number of sites answering a question, as this is the information required to determine statistical reliability.

In the tables, ‘zero’ is denoted as a dash (‘-’); and an asterisk is used (‘*’) if the figure is larger than zero but less than 0.5%.

Throughout the report, figures with a base size of fewer than 30 sites are not reported (a double asterisk, ‘**’, is displayed instead), and figures with a base size of 30 to 49 are italicised and should be treated with caution as the margin of error for these results is larger and therefore the results are less statistically reliable.

Please note that, unless otherwise stated, all figures presented in this report are taken from responses by employers to the ESS 2024 survey and therefore represent their views.

2. Recruitment and external challenges

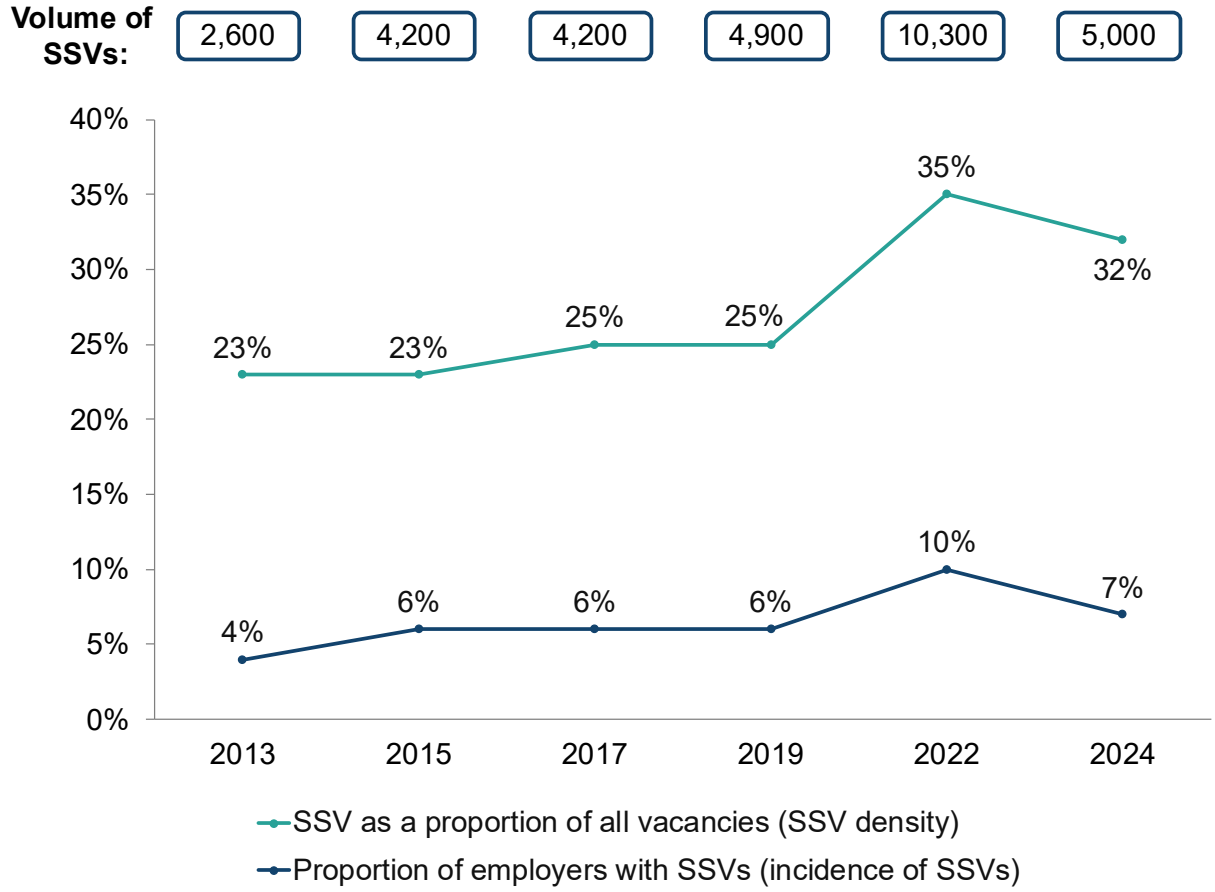
Around a fifth (19%) of employers in South East Wales had vacancies at the time of the survey, the highest proportion in Wales; the proportion across Wales overall was 17%. The proportion of employers with vacancies in South East Wales had decreased compared with 2022 (24%).

When considering vacancies as a proportion of employment (vacancy density), there was around one vacancy for every 40 employees (2.4%), which is in line with the finding from across Wales (2.8%). The vacancy density in South East Wales was lower than in 2022 (4.8%). The volume of vacancies almost halved from 29,700 in 2022 to 15,500 in 2024.

Although the majority of vacancies were not proving hard to fill due to shortages of applicants with the required skills, qualifications or experience, difficulties recruiting employees due to skill-shortages can be a significant problem for employers. Around 1 in 14 (7%) employers in South East Wales reported having vacancies as a result of skill-shortages in applicants (skill-shortage vacancies, or ‘SSVs’), the highest proportion in Wales (this figure was 6% across Wales overall). However, the incidence of reported SSVs in South East Wales was lower when compared with 2022 (7% vs. 10% in 2022), as was the case in each Welsh region and the nation as a whole.

Around a third (32%) of vacancies were SSVs in South East Wales, broadly in line with the figure for Wales overall (28%). This density of SSVs in 2024 did not mark a significant change when compared with 2022 (35%). There were around half the number of SSVs in South East Wales in 2024 (5,000) when compared with 2022 (10,300). A breakdown of the incidence, density and volume of SSVs in South East Wales over time can be seen in Figure 2-1.

Figure 2-1 Incidence, density and volume of skill-shortage vacancies in South East Wales, 2013 to 2024



Description of Figure 2-1: Line chart showing the incidence and density of SSVs over the 2013 to 2024 period, with text boxes showing the volume of SSVs over this period. The chart shows that each measure increased since 2013, with some fluctuation between 2019 and 2024. Base: All sites in South East Wales (2013: 2,400; 2015: 2,395; 2017: 2,603; 2019: 2,767; 2022: 1,911; 2024: 2,310).

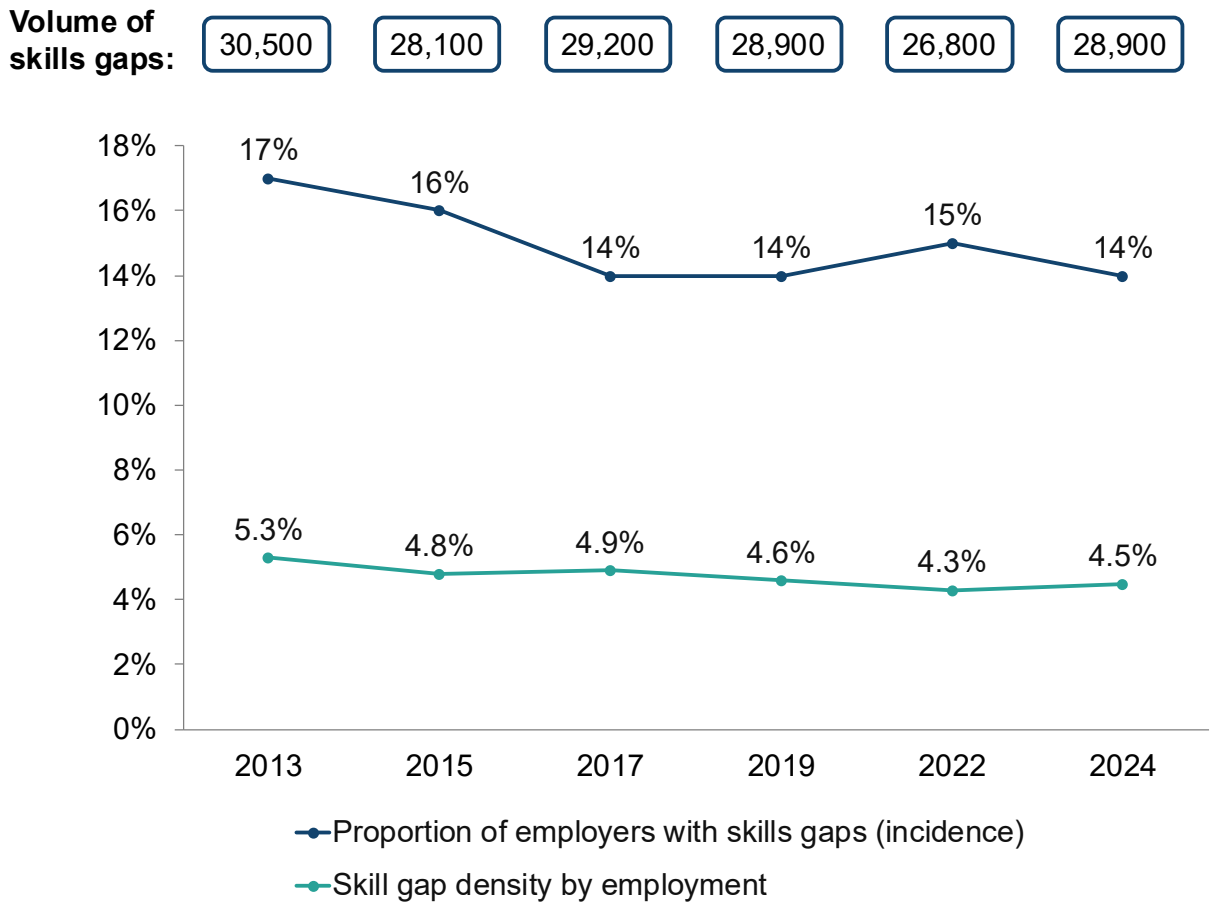
The most common skill reported to be lacking among applicants to SSVs in South East Wales, as in 2019 and 2022, was specialist skills or knowledge needed to perform the role (contributing to 67% of SSVs), followed by an inability to solve complex problems (51%) and a lack of creative and innovative thinking (50%). Compared with 2022, the proportion of SSVs affected by the inability of applicants to solve complex problems (51% vs. 40% in 2022) and think in a creative or innovative way (50% vs. 39%) increased. Similarly, there were notable increases in the proportion of SSVs affected by a lack of the following skills: more complex numerical skills (30% vs. 18%), setting objectives for others (31% vs. 21%), and adapting to new equipment or materials (30% vs. 20%).

By far the most commonly reported detrimental impact of SSVs, as in previous years, was increased workloads for existing employees (88%). This was also the most cited impact in Wales overall (also 90%). Other reported impacts included increased operating costs (58%), difficulties meeting customer service objectives (57%) and the loss of business or orders to competitors (54%).

3. The internal skills challenge

Overall, 14% of sites in South East Wales reported that they had skills gaps (i.e. at least one member of staff not fully proficient in their role), similar to 2022 (15%). The proportion in South East Wales is slightly higher than the Wales average (12%). The proportion of the workforce in South East Wales not considered fully proficient was the highest in Wales (4.5% compared with 3.3% or 3.4% in the other Welsh regions). The volume of staff with skills gaps returned to the level seen in 2019 (28,900) after a slight decrease in 2022 (26,800). A breakdown of the incidence, density and volume of skills gaps in South East Wales over time can be seen in Figure 3-1.

Figure 3-2 Incidence, density and volume of skills gaps in South East Wales, 2013 to 2024



Description of Figure 3-1: Line chart showing the incidence and density of skills gaps over the 2013 to 2024 period, with text boxes showing the volume of skills gaps in each year. The incidence and volume of skills gaps decreased when compared with 2013, while density has remained consistent. Base: All sites in South East Wales (2013: 2,400; 2015: 2,395; 2017: 2,603; 2019: 2,767; 2022: 1,911; 2024: 2,310).

Most skills gaps (79%) were caused in part by factors that can be considered 'transient' causes – causes that will naturally ease over time, such as being new to the role or training only being partially completed. This was consistent with 2022 (82%). Around 1 in 7 skills gaps (14%) were entirely due to transient causes, again consistent with 2022 (17%). Being new to the role contributed to 71% of skills gaps, while training only being partially completed contributed to 56%. These were also the two most common causes of skills gaps in 2022 (73% and 58% respectively).

The skills most commonly reported as lacking among the workforce in South East Wales were people and personal skills: customer handling skills (contributing to 54% of skills gaps), time management and prioritisation skills (52%) and employees' ability to manage their own feelings and those of others (50%). The most common technical skill considered lacking was the specialist skills and knowledge required to perform the role (50%). Compared with 2022, skills gaps were less likely to be affected by broad technical or practical skills lacking (85% vs. 93% in 2022). This was particularly notable when looking at knowledge of the organisation's products and services (31% vs. 44% in 2022) and basic numerical skills (13% vs. 24%).

As was the case for SSVs, the most commonly cited implication of skills gaps was increased workload for other staff (51%), in line with Wales overall (50%). This was also the most common impact in 2022 (57%).

Overall, 31% of employers had staff with qualifications and skills more advanced than required for their current jobs, a decrease from 37% in 2022. This was consistent with the overall Wales result (33%). The proportion of staff whose skills and qualifications were under-utilised in South East Wales was 12.6% compared with 9.8% across Wales as a whole[footnote 2]. This therefore meant that more than twice as many employees in South East Wales had skills or qualifications which were under-utilised (12.6%) as had skills gaps (4.5%).

A third (33%) of employers in South East Wales had provided some form of work placement in the last 12 months, a similar proportion to 2022 (28%). This was also consistent with other regions in Wales in 2024. Work placements in South East Wales were most commonly offered to people in education (24%); 12% offered placements to people at school, 12% offered them to people at college, while 11%

[2] Please note that this difference is not statistically significant at the 95% confidence level and should therefore be treated as indicative.

offered them to people at university.

Most employers offering some form of work placements reported doing so for altruistic reasons (63%), with giving people experience (45%) and moral reasons / benefitting young people (21%) being the most commonly cited altruistic reasons. Among those that did not offer work placements or other work-related experiences, the most commonly reported reasons for not doing so were structural reasons (63%), including not having suitable roles (23%).

4. Training and workforce development

Nearly two thirds (64%) of employers in South East Wales said they had arranged or funded training for their staff in the last 12 months, the highest proportion of any region in Wales (60% across Wales overall). On-the-job training was more commonly offered than off-the-job training in South East Wales (54% compared to 43%); the proportion offering on-the job training in 2022 was the same (54%), but the proportion offering off-the-job training increased from the figure seen in 2022 (37%).

The proportion of staff that received training in the last 12 months in South East Wales was 64%, the same as the proportion seen across Wales as a whole. This marked an increase compared with 2022 (61%).

Among those that had not provided training in the last 12 months or so, the stand out reason for not doing so, as was the case across Wales, was that staff were already considered to be fully proficient (68%), a similar proportion to 2022 (65%).

Table 4-1 Proportion of employers that trained staff and the proportion of staff trained over the previous 12 months in Wales and the Welsh regions, 2015 to 2024

	Employers that train (%) 2015	Staff trained (%) 2015	Employers that train (%) 2017	Staff trained (%) 2017	Employers that train (%) 2019	Staff trained (%) 2019	Employers that train (%) 2022	Staff trained (%) 2022	Employers that train (%) 2024	Staff trained (%) 2024
Wales	**63%**	**64%**	**62%**	**58%**	**62%**	**65%**	**60%**	**63%**	**60%**	**64%**
South East Wales	66%	65%	62%	58%	64%	65%	63%	61%	64%	64%
North Wales	66%	60%	61%	55%	63%	68%	59%	65%	61%	66%
Mid Wales	54%	71%	58%	67%	58%	57%	49%	61%	52%	67%
South West Wales	61%	63%	64%	56%	61%	64%	59%	63%	57%	61%
Mid / South West	59%	65%	62%	59%	60%	62%	55%	63%	55%	63%

Base: All sites in Wales in 2024 (5,605); All sites in South East Wales in 2024 (2,310). Other base sizes are shown in Annex A.

Overall, 410,700 staff were trained in South East Wales, for a total of 3.3 million training days in the past 12 months. This equated to 8.0 training days per trainee per year and 5.1 days per employee (compared to 6.6 days per trainee and 4.2 days per employee in Wales overall). The results represent slight increases from 2022 levels, when 7.4 training days were provided per trainee per year and 4.5 days per employee per year.

The most common type of training offered to employees by employers that provided training was job specific training (87%) followed by health and safety or first aid training (73%) and basic induction training for new staff (67%). Employers in South East Wales were the most likely in Wales to offer job specific training (87% vs. 85% across Wales) and basic induction training (67% vs. 64%), but least likely to offer health and safety or first aid training (73% vs. 75%).

Nearly 6 in 10 (56%) employers reported that they were in ‘training equilibrium’, meaning they undertook the amount of training over the previous 12 months that they wanted, which was the lowest proportion in Wales (57% across Wales as a whole). This means that 44% of employers wanted to deliver more training than they had done over the last 12 months.

5. Apprenticeships

Just under 1 in 10 employers (9%) had apprentices as employees at the time of the survey, while 8% offered apprenticeships but did not have any apprentices; overall, nearly 1 in 5 employers in South East Wales (18%) had apprentices or offered apprenticeships, in line with 2022 (19%).

Just over a quarter (26%) of employers in South Wales planned to offer apprenticeships in the future. This was a notably lower proportion than in 2022 (37%), a decrease that was reflected across Wales and the rest of the UK.

6. High performance working practices

‘High Performance Working’ (HPW) practices are practices recognised to ensure employee skills are harnessed, nurtured and used to their best effect. A minority (7%) in South East Wales qualified as HPW employers, meaning they adopted 7 out of the 10 HPW practices that were included in the survey. This was in line with the proportion of HPW employers across Wales as a whole (6%).

The most common HPW practice implemented by employers was having an equal opportunity policy (84%, higher than 78% in Wales overall) followed by on- or off-the-job training (62%) and training needs assessments (49%). The prevalence of HPW practices in South East Wales was broadly in line with 2022, as shown in Figure 6-1 (which shows the prevalence of HPW practices among employers in South East Wales over time).

Figure 6-3 Prevalence of HPW Practices in South East Wales, 2022 to 2024

Description of Figure 6-1: Bar chart showing the prevalence of high performance working practices among employers in South East Wales over the period 2022 to 2024. In both years, having an equal opportunity policy was the most common HPW practice. Base: All sites in South East Wales in Module D: 2024: 595; 2022: 471.

7. Artificial Intelligence

In order to understand how employers are engaging with Artificial Intelligence (AI), new questions were introduced in the 2024 survey which asked employers about their use of AI.

AI use by employers refers to the use of machines or software that imitate human behaviour such as problem-solving, learning, playing and communicating (for example, natural language processing). This could be at any level of use and for any task, including the use of recent generative tools such as ChatGPT or Microsoft Co-pilot, and more complex solutions including machine learning and robotic automation.

Around 1 in 7 (14%) employers in South East Wales said their site currently uses AI. This was the highest proportion in Wales (12% across Wales overall).

Among those sites currently using AI, 3 in 5 (60%) had started using it in the past 12 months, around a quarter (26%) had been using it for 1 to 3 years, while 1 in 10 (10%) had been using it for more than 3 years. Compared with other sites in Wales, those in the South East were least likely to have adopted it in the past 12 months (60% vs. 66% in Wales overall) and most likely to have adopted it 1 to 3 years ago (26% vs. 21%). Most (84%) said they would be embedding AI into their site’s processes and operations over the next 3 years, a proportion consistent across Wales.

Of those sites not using AI, most (77%) had no plans to adopt it, although this was a lower proportion than other regions in Wales (85% in Mid Wales and 81% in both North Wales and South West Wales).

8. Net Zero

A new question was asked in the 2024 survey that asked employers about their Net Zero strategy. Being ‘a Net Zero site’ means that the site’s carbon emissions are equal to, or less than, the amount of carbon being removed from the atmosphere by the site.

Employers in South East Wales were asked whether they had a Net Zero strategy in place. Overall, 1 in 7 employers (14%) had a strategy in place, while a further 3% said they were already at Net Zero. Around 1 in 5 employers (19%) did not have a strategy in place currently but were planning to do so. Under half (46%) of employers had no plans to become Net Zero, though a sizeable proportion (18%) were also unsure about their Net Zero plans. These proportions were consistent with those seen across Wales overall.

9. Conclusions

ESS 2024 highlights some of the recruitment challenges that employers face in South East Wales relative to Wales overall. Results reflect a cooling of the labour market after a rapid increase in vacancies as the Welsh economy emerged from the COVID-19 pandemic period. Vacancies have decreased, while the challenge around the skills supply has lessened slightly, though the proportion of all vacancies that are SSVs in South East Wales remains above the level seen in the years 2013 to 2019.

In terms of the internal skills picture, the proportion of employers with skills gaps was at a similar level to the years 2017 to 2022, as was the density of skills gaps. Skills challenges continue to be detrimental to employers in South East Wales, with the most common reported impact continuing to be an increased workload for the existing workforce.

Training and workforce development can be a means of addressing skills challenges. Employers in South East Wales were more likely to have reported providing training to their staff in the past 12 months than any other Welsh region, although the proportion of employees receiving training in the past 12 months was in line with results across Wales overall.

While the proportion of employers offering apprenticeships in South East Wales remained consistent with 2022, a lower proportion reported that they plan to offer them in the future.

Looking at employer practices, a minority in South East Wales were considered to be High Performance Working (HPW) employers. Around 1 in 7 (14%) were using Artificial Intelligence (AI). A minority were also either at Net Zero (3%) or had a Net Zero strategy in place (14%).

Key findings

	South East Wales 2019	South East Wales 2022	South East Wales 2024	Wales 2019	Wales 2022	Wales 2024
Vacancies and skill-shortage vacancies (SSVs)						
% of sites with any vacancies	17%	24%	19%	15%	22%	17%
% of sites with any hard-to-fill vacancies	8%	15%	9%	7%	15%	9%
% of sites with SSVs	6%	10%	7%	5%	10%	6%
% of all vacancies that are SSVs	25%	35%	32%	24%	35%	28%
Number of vacancies	20,000	29,700	15,500	40,800	58,900	35,700
Number of skill-shortage vacancies	4,900	10,300	5,000	9,800	20,600	10,100
Skills gaps						
% of sites with any staff not fully proficient	14%	15%	14%	13%	14%	12%
Number of staff not fully proficient	28,900	26,800	28,900	50,900	51,500	50,400
% of staff not fully proficient	4.6%	4.3%	4.5%	4.0%	4.1%	3.9%
Training						
% of sites training any staff over the last 12 months	64%	63%	64%	62%	60%	60%
% of sites providing off-the-job training in the last 12 months	45%	37%	43%	45%	36%	40%
% of workforce trained	65%	61%	64%	65%	63%	64%
Total days training	1.9m	2.8m	3.3m	4.2m	5.3m	5.4m
Training days per trainee	4.7	7.4	8.0	5.1	6.8	6.6
Training days per employee	3.1	4.5	5.1	3.3	4.2	4.2
Apprenticeships						
% of employers who currently had apprentices on site or offered apprenticeships	17%	19%	18%	16%	17%	16%

% of employers planning to offer apprenticeships in the future	28%	37%	26%	27%	35%	24%

Annex A: Base Sizes

Unweighted base sizes for all sites in Wales (2013 – 2024)

	2013	2015	2017	2019	2022	2024
Wales	**5,996**	**6,027**	**5,913**	**6,773**	**4,825**	**5,605**
Region						
North Wales	1,580	1,528	1,584	1,666	1,193	1,350
Mid Wales	717	742	605	793	694	717
South East Wales	2,400	2,395	2,603	2,767	1,911	2,310
South West Wales	1,299	1,362	1,121	1,547	1,027	1,228
Mid / South West Wales	2,016	2,104	1,726	2,340	1,721	1,945